



---

June 19, 2018

The Honorable Richard Pan  
Chair, Senate Committee on Health  
State Capitol, Room 2191  
Sacramento, CA 95814

**RE: AB 2565 (Chiu) Affordability Assistance: Cost Sharing**  
**AAP-CA Position: Support**

Dear Chair Pan,

The American Academy of Pediatrics, California (AAP-CA), representing over 5,000 California pediatricians, strongly supports proposed legislation AB 2565 (Chiu) to improve the affordability of health premiums by providing additional help to Californians who get their coverage through Covered California.

The Affordable Care Act (ACA) has provided many Californians with federal financial assistance to help pay for coverage. Today, individuals who make less than \$50,000 (under 400% FPL) get some financial assistance for coverage but are still asked to pay a percentage of their income on premiums, ranging from 2% of income for those under 138% FPL, and to 9.6% of income for those 300%-400% FPL. For example, an individual in Covered California making \$3,000 – \$4,000 a month is expected to spend about \$300 – \$400 a month on premiums. Given the high cost of living in California, these consumers still need more help to afford coverage and care.

AB 2565 (Chiu) is one of two Assembly measures that would provide additional affordability assistance to Californians who buy coverage as individuals. AB 2549 (Friedman) provides tax credits to people who make too much (between 400% – 600% FPL) for Covered California premium subsidies. Together, these bills are an integral part of reducing the number of uninsured and bringing us closer to universal coverage.

AB 2565 (Chiu) would lower what Covered California consumers pay across the income scale, so that those making below 400% FPL would pay no more than 8% of their income. This will decrease their share of premium costs significantly, thus allowing more people to afford and buy coverage.

Pediatrician members of AAP California Chapters 1, 2, 3 and 4 statewide strongly support proposed legislation AB 2565 (Chiu) and urge you to vote AYE. Thank you for your public service and leadership on behalf of the health and wellbeing of children, youth, and families in California.

Sincerely,

*Kris E. Calvin*

Kris Calvin  
Chief Executive Officer, American Academy of Pediatrics, California

cc: Members of the Senate Committee on Health  
Honorable David Chiu, Author  
AAP-CA Leadership; Lobbyist Lydia Bourne